

NatWest Holdings Group
Q3 2026 Pillar 3

Contents

	Page
Forward-looking statements	2
Presentation of information	3
Annex I: Key metrics and overview of risk-weighted assets	
NatWest Holdings Group – Key points	4
UK KM1: Key metrics	5
UK OV1: Overview of risk-weighted exposure amounts	6
UK CR8: RWA flow statement of credit risk exposures under the IRB approach	7
Annex XI: Leverage	
UK LR2 - LRCom: Leverage ratio common disclosure	8
Annex XIII: Liquidity	
UK LIQ1: Quantitative information of LCR	9
UK LIQB: Qualitative information on LCR, which complements template UK LIQ1	11

Forward-looking statements

This document may include forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements with respect to NatWest Holdings Group's financial condition, results of operations and business, including its strategic priorities, financial, investment and capital targets, and climate and sustainability-related targets, commitments and ambitions described herein. Statements that are not historical facts, including statements about NatWest Holdings Group's beliefs and expectations, are forward-looking statements. Words such as 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'target', 'goal', 'objective', 'may', 'outlook', 'prospects' and similar expressions or variations on these expressions are intended to identify forward-looking statements. In particular, this document may include forward-looking statements relating, but not limited to: NatWest Holdings Group's credit risk; its regulatory capital position and related requirements, its financial position, profitability and financial performance, its liquidity and funding risk and non-traded market risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments such as artificial intelligence, interest and exchange rate fluctuations, general economic and political conditions and uncertainties, the exposure to third party risk, operational risk, pension risk, compliance and conduct risk, cyber, data and IT risk, financial crime risk, key person risk, credit rating risk, model risk, reputational risk and the impact of climate and sustainability-related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or NatWest Holdings Group's actual results are discussed in NatWest Holdings Limited's 2025 Annual Report and Accounts, and its other public filings. The forward-looking statements contained in this document speak only as of the date of this document and NatWest Holdings Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the interim consolidated Pillar 3 disclosures for NatWest Holdings Group (NWH Group) as at 30 September 2026.

As of the date of this report, NatWest Holdings Limited ('NWH Ltd') is regulated under the UK Capital Requirements Regulation (CRR) and the associated onshored binding technical standards that were created by the European Union (Withdrawal) Act 2018.

NWH Ltd is a wholly owned subsidiary of NatWest Group plc and its ring-fenced bank (RFB) sub-group. The Pillar 3 disclosures made by NWH Ltd and its consolidated subsidiaries (together 'NatWest Holdings Group' or 'NWH Group') are designed to comply with the Disclosure (CRR) Part of the PRA Rulebook.

Under the PRA disclosure framework, large subsidiaries of NatWest Group plc are also required to complete a reduced set of disclosures depending on their listed/non-listed status. NatWest Group plc primarily determines its large subsidiaries, in accordance with the UK CRR requirements, as those designated as an O-SII firm by the PRA or with a value of total assets equal to or greater than €30 billion.

As at 30 September 2026, the large subsidiaries within the RFB sub-group were the following:

- National Westminster Bank Plc (NWB Plc)
- The Royal Bank of Scotland plc (RBS plc)
- Coutts & Company (Coutts & Co)

Where applicable, the liquidity disclosures in this report are completed for the consolidated NWH Group and the UK Domestic Liquidity Subgroup (UK DoLSub). The UK DoLSub waiver allows NWB Plc, RBS plc and Coutts & Co to manage liquidity and funding as a single sub-group rather than at an entity level.

A subset of the Pillar 3 templates that are required to be disclosed on a semi-annual basis were not applicable to NWH Group at 30 September 2026 and have therefore not been included in the document. These excluded templates are listed below, together with a summary of the reason for their exclusion.

PRA template reference	Template name	Reasons for exclusion
UK CCR7	RWA flow statements of CCR exposures under the IMM	No reportable exposures
UK MR2-B	RWA flow statements of market risk exposures under the IMA	No reportable exposures

Any rows or columns that are not applicable have not been shown however explanations have been added where appropriate.

In this report, in line with the regulatory framework, the term credit risk excludes counterparty credit risk, unless specifically indicated otherwise.

The Pillar 3 disclosures are presented in pounds sterling ('£') and have not been subject to external audit.

For definitions of terms refer to the Glossary and Acronyms document available on investors.natwestgroup.com/reports-archive/2025.

The Pillar 3 disclosures for NWH Ltd's large subsidiaries are provided in separate documents. These are published in the same location and are available on the NatWest Group website, located at: investors.natwestgroup.com/results-centre.

Annex I: Key metrics and overview of risk-weighted assets

NatWest Holdings Group - Key points

CET1 ratio

12.4%

(Q2 2026 – 12.5%)

The CET1 ratio decreased by 10 basis points to 12.4% due to a £0.2 billion decrease in CET1 capital. There was an immaterial decrease in RWAs.

The CET1 capital decrease was mainly driven by a foreseeable ordinary dividend accrual of £1.7 billion partially offset by an attributable profit to ordinary shareholders of £1.5 billion.

RWAs

£166.1bn

(Q2 2026 - £166.1bn)

Total RWAs remained broadly unchanged at £166.1 billion, with a net decrease in credit risk RWAs reflecting the benefit of RWA management actions and CRD IV model updates, partially offset by lending growth and movements in risk metrics.

UK leverage ratio

4.7%

(Q2 2026 – 4.9%)

The leverage ratio decreased by 20 basis points to 4.7% due to a £15.8 billion increase in leverage exposure and a £0.2 billion decrease in Tier 1 capital. The key driver of the leverage exposure movement was an increase in other financial assets.

UK average leverage ratio

4.8%

(Q2 2026 – 5.0%)

The average leverage ratio decreased by 20 basis points to 4.8% due to a £13.7 billion increase in average leverage exposure and a £0.1 billion decrease in 3-month average Tier 1 capital. The key driver of the average leverage exposure movement was an increase in other financial assets.

LCR average

124%

(Q2 2026 - 127%)

The average Liquidity Coverage Ratio (LCR) decreased by 3 percentage points to 124% during the quarter, driven by lending growth and changes to outflow assumptions partly offset by issuance and increased deposits.

NSFR average

129%

(Q2 2026 - 130%)

The average Net Stable Funding Ratio (NSFR) decreased by 1 percentage point to 129% during the quarter driven by lending growth partly offset by increased deposits.

Annex I: Key metrics and overview of risk-weighted assets continued

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures based on current PRA rules.

		30 September 2026	30 June 2026	31 March 2026	31 December 2025	30 September 2025
	Available own funds (amounts)	£m	£m	£m	£m	£m
1	Common equity tier 1 (CET1) capital	**20,652**	20,829	21,460	20,006	21,586
2	Tier 1 capital	**24,833**	25,010	25,141	23,687	26,453
3	Total capital	**29,218**	30,515	30,641	28,589	31,354
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**166,052**	166,095	162,495	160,863	157,398
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common equity tier 1 ratio (%)	**12.4**	12.5	13.2	12.4	13.7
6	Tier 1 ratio (%)	**15.0**	15.1	15.5	14.7	16.8
7	Total capital ratio (%)	**17.6**	18.4	18.9	17.8	19.9
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	**1.3**	1.3	1.3	1.3	1.3
UK 7b	Additional AT1 SREP requirements (%)	**0.5**	0.5	0.5	0.5	0.5
UK 7c	Additional Tier 2 SREP requirements (%)	**0.6**	0.6	0.6	0.6	0.6
UK 7d	Total SREP own funds requirements (%)	**10.4**	10.4	10.4	10.4	10.4
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	**2.5**	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer (%) (2)	**1.8**	1.8	1.8	1.9	1.8
UK 10a	Other Systemically Important Institution buffer (%)	**1.5**	1.5	1.5	1.5	1.5
11	Combined buffer requirement (%)	**5.8**	5.8	5.8	5.9	5.8
UK 11a	Overall capital requirements (%)	**16.2**	16.2	16.2	16.3	16.2
12	CET1 available after meeting the total SREP own funds requirements (%)	**6.6**	6.7	7.4	6.6	7.9
	Leverage ratio					
13	Total exposure measure excluding claims on central banks	**525,484**	509,660	503,396	498,201	485,433
14	Leverage ratio excluding claims on central banks (%)	**4.7**	4.9	5.0	4.8	5.4
	Additional leverage ratio disclosure requirements					
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.7**	4.9	5.0	4.8	5.4
UK 14b	Leverage ratio including claims on central banks (%)	**4.4**	4.5	4.6	4.3	4.9
UK 14c	Average leverage ratio excluding claims on central banks (%)	**4.8**	5.0	4.9	5.2	5.2
UK 14d	Average leverage ratio including claims on central banks (%)	**4.5**	4.6	4.5	4.7	4.7
UK 14e	Countercyclical leverage ratio buffer (%) (2)	**0.6**	0.6	0.6	0.6	0.6
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value-average)	**104,809**	106,707	108,889	110,991	111,896
UK 16a	Cash outflows - Total weighted value	**91,033**	89,965	88,428	87,472	87,036
UK 16b	Cash inflows - Total weighted value	**6,486**	6,104	5,876	5,913	5,973
16	Total net cash outflows (adjusted value)	**84,547**	83,861	82,552	81,559	81,063
17	Liquidity coverage ratio (%) (3)	**124**	127	132	136	138
	Net stable funding ratio					
18	Total available stable funding	**370,068**	368,261	366,807	365,795	364,536
19	Total required stable funding	**287,339**	282,599	279,030	275,909	273,825
20	NSFR ratio (%) (4)	**129**	130	131	133	133

(1) The following rows are not presented in the table above because they are not applicable: UK8a, UK9a and 10.
(2) The institution-specific Countercyclical Capital buffer (CCyB) requirement is based on the weighted average of the buffer rates in effect for the countries in which institutions have exposures. The UK CCyB rate is currently being maintained at 2%. The countercyclical leverage ratio buffer is set at 35% of NWH Group CCyB.
(3) The Liquidity Coverage Ratio (LCR) is calculated as the average of the preceding 12 months.
(4) The Net Stable Funding Ratio (NSFR) is calculated as the average of the preceding four quarters

Annex I: Key metrics and overview of risk-weighted assets continued

UK OV1: Overview of risk-weighted exposure amounts

The table below shows RWAs and total own funds requirements by risk type. Total own funds requirements are calculated as 8% of RWAs.

		a	b	c
		Risk-weighted exposure amounts (RWAs)		Total own funds requirements
		30 September 2026	30 June 2026	30 September 2026
		£m	£m	£m
1	Credit risk (excluding counterparty credit risk)	**136,299**	136,731	**10,903**
2	*Of which: standardised approach*	***17,620***	*17,110*	***1,410***
3	*Of which: the foundation IRB (FIRB) approach*	**-**	-	**-**
4	*Of which: slotting approach*	***11,050***	*10,759*	***884***
UK 4a	*Of which: equities under the simple risk-weighted approach*	***25***	*27*	***1***
5	*Of which: the advanced IRB (AIRB) approach*	***107,604***	*108,835*	***8,608***
5a	*Of which: non-credit obligation assets (1)*	***3,917***	*4,009*	***313***
6	Counterparty credit risk	**672**	625	**54**
7	*Of which: standardised approach*	***95***	*109*	***8***
8	*Of which: internal model method (IMM)*	**-**	-	**-**
UK 8a	*Of which: exposures to a CCP*	***83***	*32*	***7***
UK 8b	*Of which: credit valuation adjustment (CVA)*	***98***	*162*	***8***
9	*Of which: other counterparty credit risk*	***396***	*322*	***31***
15	Settlement risk	**-**	-	**-**
16	Securitisation exposures in the non-trading book (after the cap)	**5,237**	4,875	**419**
17	*Of which: SEC-IRBA approach*	***4,439***	*4,128*	***355***
18	*Of which: SEC-ERBA (including IAA)*	***60***	*52*	***5***
19	*Of which: SEC-SA approach*	***738***	*695*	***59***
UK 19a	*Of which: 1,250%/deduction*	**-**	-	**-**
20	Position, foreign exchange and commodities risk (market risk)	***122***	*143*	***10***
21	*Of which: standardised approach*	***122***	*143*	***10***
22	*Of which: IMA*	**-**	-	**-**
UK 22a	Large exposures	**-**	-	**-**
23	Operational risk	**23,722**	23,721	**1,898**
UK 23a	*Of which: basic indicator approach*	**-**	-	**-**
UK 23b	*Of which: standardised approach*	***23,722***	*23,721*	***1,898***
UK 23c	*Of which: advanced measurement approach*	**-**	-	**-**
24	Amounts below the thresholds for deduction (subject to 250% risk-weight) (2)	**745**	706	**60**
29	Total	**166,052**	166,095	**13,284**

(1) 5a is subset of total IRB RWAs disclosed in Row 5.
(2) The amount is shown for information only, as these exposures are already included in rows 1 and 2.

Annex I: Key metrics and overview of risk-weighted assets continued

UK CR8: RWA flow statement of credit risk exposures under the IRB approach

The table below shows movements in RWAs for credit risk exposures under the internal ratings based (IRB) approach. It excludes counterparty credit risk, securitisations and non-credit obligation assets.

		a
		RWAs
		£m
1	At 31 December 2025	111,249
2	Asset size	2,746
3	Asset quality	254
4	Model updates	70
7	Foreign exchange movements	144
8	Other	(2,172)
9	At 31 March 2026	112,291
2	Asset size	1,968
3	Asset quality	477
4	Model updates	915
7	Foreign exchange movements	(66)
9	At 30 June 2026	115,585
2	Asset size	1,718
3	Asset quality	330
4	Model updates	(1,652)
7	Foreign exchange movements	(50)
8	Other	(1,194)
9	At 30 September 2026	114,737

(1) The following rows are not presented because they had zero values: (5) methodology and policy; and (6) acquisitions and disposals.

Q3 2026

- The increase in RWAs related to asset size was primarily driven by lending growth within Commercial & Institutional.
- The increase in RWAs relating to asset quality was mainly due to movements in risk metrics with an increase in Retail Banking partially offset by a decrease in Commercial & Institutional.
- The decrease in RWAs related to model updates was primarily driven by CRD IV model updates with a reduction in Retail Banking partially offset by an increase in Commercial & Institutional.
- The decrease in foreign exchange movement was primarily due to sterling appreciating against the euro and the US dollar.
- The decrease in RWAs in other was due to the benefit of RWA management actions within Commercial & Institutional.

Annex XI: Leverage

UK LR2 – LRCom: Leverage ratio common disclosure

The table below shows an abridged version of the disclosure template UK LR2 – LRCom for NWH Group. The leverage metrics are calculated in accordance with Leverage Ratio (CRR) part of the PRA Rulebook.

		30 September 2026	30 June 2026
	Total exposure measure	**£m**	£m
UK-24b	Total exposure measure excluding claims on central banks	**525,484**	509,660
	Leverage ratio		
25	Leverage ratio excluding claims on central banks (%)	**4.7**	4.9
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.7**	4.9
UK-25c	Leverage ratio including claims on central banks (%)	**4.4**	4.5
	Additional leverage ratio disclosure requirements - leverage ratio buffers (1)		
27	Leverage ratio buffer (%)	**1.125**	1.125
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	**0.525**	0.525
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.6**	0.6
	Additional leverage ratio disclosure requirements - disclosure of mean values (1)		
UK-31	Average total exposure measure excluding claims on central banks	**515,819**	502,081
UK-32	Average total exposure measure including claims on central banks	**560,119**	548,956
UK-33	Average leverage ratio excluding claims on central banks (%)	**4.8**	5.0
UK-34	Average leverage ratio including claims on central banks (%)	**4.5**	4.6

(1) NWH Group is an LREQ firm therefore subject to the additional quarterly disclosures for averaging and countercyclical leverage ratio buffer.

Annex XIII: Liquidity

UK LIQ1: Quantitative information of LCR

The tables below show the breakdown of high-quality liquid assets, cash inflows and cash outflows, on both an unweighted and weighted basis, that are used to derive the Liquidity Coverage Ratio for NWH Group and UK DoLSub. The weightings applied reflect the stress factors applicable under the UK LCR rules. The values presented are the simple average of the preceding monthly periods ending on the quarterly reporting date as specified in the table. LCR outflows do not capture all liquidity risks (e.g. intra-day liquidity). NatWest Group assesses these risks as part of its Individual Liquidity Adequacy Assessment Process and maintains appropriate levels of liquidity. High-quality liquid assets cover both Pillar 1 and Pillar 2 risks.

		NWH Group							
		Total unweighted value (average)				Total weighted value (average)			
		30 September 2026	30 June 2026	31 March 2026	31 December 2025	**30 September 2026**	30 June 2026	31 March 2026	31 December 2025
	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
		£m	£m	£m	£m	**£m**	£m	£m	£m
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					**104,809**	106,707	108,889	110,991
Cash - outflows									
2	Retail deposits and deposits from small business customers of which:	**266,436**	264,690	263,390	261,506	**18,717**	18,817	18,958	18,997
3	*Stable deposits*	***150,969***	*148,254*	*145,330*	*142,333*	***7,548***	*7,413*	*7,267*	7,117
4	*Less stable deposits*	***77,898***	*80,584*	*83,565*	*85,588*	***10,127***	*10,350*	*10,654*	10,886
5	Unsecured wholesale funding	**129,033**	127,480	125,804	125,171	**59,926**	58,961	57,948	57,341
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	***52,028***	*51,719*	*50,911*	*50,490*	***12,694***	*12,617*	*12,415*	12,310
7	*Non-operational deposits (all counterparties)*	***75,293***	*73,846*	*73,072*	*73,037*	***45,520***	*44,429*	*43,712*	43,387
8	*Unsecured debt*	***1,712***	*1,915*	*1,821*	*1,644*	***1,712***	*1,915*	*1,821*	1,644
9	Secured wholesale funding					**104**	423	428	385
10	Additional requirements	**57,570**	53,592	51,016	49,509	**8,614**	8,123	7,733	7,491
11	*Outflows related to derivative exposures and other collateral requirements*	***1,051***	*1,128*	*1,146*	*1,173*	***1,043***	*1,123*	*1,142*	1,147
12	*Outflows related to loss of funding on debt products*	**-**	-	-	-	**-**	-	-	-
13	*Credit and liquidity facilities*	***56,519***	*52,464*	*49,870*	*48,336*	***7,571***	*7,000*	*6,591*	6,344
14	Other contractual funding obligations	**1,816**	1,630	1,523	1,498	**111**	117	126	118
15	Other contingent funding obligations	**59,315**	62,652	64,684	65,900	**3,561**	3,524	3,235	3,140
16	Total cash outflows					**91,033**	89,965	88,428	87,472
Cash - inflows									
17	Secured lending (e.g., reverse repos)	**28,093**	26,826	26,326	24,587	**380**	345	335	302
18	Inflows from fully performing exposures	**4,915**	4,566	4,431	4,464	**3,679**	3,319	3,212	3,279
19	Other cash inflows	**10,449**	10,413	10,382	10,260	**2,428**	2,440	2,329	2,332
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there is transfer restrictions or which are denominated in non-convertible currencies)					**-**	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					**-**	-	-	-
20	Total cash inflows	**43,457**	41,805	41,139	39,311	**6,486**	6,104	5,876	5,913
UK-20a	*Fully exempt inflows*								
UK-20b	*Inflows subject to 90% cap*								
UK-20c	*Inflows subject to 75% cap*	***43,457***	*41,805*	*41,139*	*39,311*	***6,486***	*6,104*	*5,876*	*5,913*
Total adjusted value									
UK-21	Liquidity buffer					**104,809**	106,707	108,889	*110,991*
22	Total net cash outflows					**84,547**	83,861	82,552	*81,559*
23	Liquidity coverage ratio (%)					**124**	127	132	136

Annex XIII: Liquidity continued

UK LIQ1: Quantitative information of LCR continued

		UK DolSub							
		Total unweighted value (average)				Total weighted value (average)			
		30 September 2026	30 June 2026	31 March 2026	31 December 2025	**30 September 2026**	30 June 2026	31 March 2026	31 December 2025
	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
		£m	£m	£m	£m	**£m**	£m	£m	£m
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					**104,463**	106,208	108,231	110,324
Cash - outflows									
2	Retail deposits and deposits from small business customers of which:	**266,436**	264,690	263,390	261,505	**18,717**	18,817	18,958	18,997
3	*Stable deposits*	***150,969***	*148,254*	*145,330*	*142,333*	***7,548***	*7,413*	*7,267*	*7,117*
4	*Less stable deposits*	***77,898***	*80,584*	*83,565*	*85,588*	***10,127***	*10,350*	*10,654*	*10,886*
5	Unsecured wholesale funding	**129,868**	128,409	126,707	126,136	**60,761**	59,890	58,851	58,306
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	***52,028***	*51,719*	*50,911*	*50,490*	***12,694***	*12,617*	*12,415*	*12,310*
7	*Non-operational deposits (all counterparties)*	***76,128***	*74,775*	*73,975*	*74,002*	***46,355***	*45,358*	*44,615*	*44,352*
8	*Unsecured debt*	***1,712***	*1,915*	*1,821*	*1,644*	***1,712***	*1,915*	*1,821*	*1,644*
9	Secured wholesale funding					**104**	423	428	385
10	Additional requirements	**54,777**	50,805	48,244	46,717	**8,364**	7,883	7,511	7,273
11	*Outflows related to derivative exposures and other collateral requirements*	***1,034***	*1,118*	*1,147*	*1,185*	***1,027***	*1,113*	*1,143*	*1,158*
12	*Outflows related to loss of funding on debt products*	**-**	-	-	-	**-**	-	-	-
13	*Credit and liquidity facilities*	***53,743***	*49,687*	*47,097*	*45,532*	***7,337***	*6,770*	*6,368*	*6,115*
14	Other contractual funding obligations	**1,915**	1,716	1,590	1,568	**211**	204	194	187
15	Other contingent funding obligations	**57,076**	60,548	62,712	63,969	**3,559**	3,523	3,235	3,140
16	Total cash outflows					**91,716**	90,740	89,177	88,288
Cash - inflows									
17	Secured lending (e.g., reverse repos)	**28,093**	26,826	26,326	24,587	**380**	345	336	302
18	Inflows from fully performing exposures	**5,644**	5,312	5,160	5,164	**4,615**	4,267	4,139	4,168
19	Other cash inflows	**10,543**	10,464	10,405	10,269	**2,521**	2,490	2,351	2,341
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there is transfer restrictions or which are denominated in non-convertible currencies)					**-**	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					**-**	-	-	-
20	Total cash inflows	**44,280**	42,602	41,891	40,020	**7,516**	7,102	6,826	6,811
UK-20a	*Fully exempt inflows*								
UK-20b	*Inflows subject to 90% cap*								
UK-20c	*Inflows subject to 75% cap*	***44,280***	*42,602*	*41,891*	*40,020*	***7,516***	*7,102*	*6,826*	*6,811*
Total adjusted value									
UK-21	Liquidity buffer					**104,463**	106,208	108,231	110,324
22	Total net cash outflows					**84,200**	83,638	82,351	81,477
23	Liquidity coverage ratio (%)					**124**	127	132	135

Annex XIII: Liquidity continued

UK LIQB: Qualitative information on LCR, which complements template UK LIQ1

LCR inputs & results over time

The LCR aims to ensure that banks and banking groups hold a sufficient reserve of High-Quality Liquid Assets (HQLA) to survive a period of liquidity stress lasting 30 calendar days.

All figures included in the table represent a 12-month rolling average.

NWH Group

The average Liquidity Coverage Ratio (LCR) decreased by 3 percentage points to 124% during the quarter, driven by lending growth and changes to outflow assumptions partly offset by issuance and increased deposits.

UK DoLSub

The average Liquidity Coverage Ratio (LCR) decreased by 3 percentage points to 124% during the quarter, driven by lending growth and changes to outflow assumptions partly offset by issuance and increased deposits.

Concentration of funding sources

NWH Group and UK DoLSub both maintain a diversified set of funding sources, of which retail, SME and corporate deposits are the biggest contributors. Other sources include wholesale unsecured funding, capital (including equity and MREL-eligible bonds), central banks (TFSME), repos and covered bonds. Wholesale unsecured funding includes a range of products including deposits, commercial paper and certificates of deposit, and is accepted from various corporate counterparties and financial institutions.

Liquidity buffer composition

NWH Group

The NWH Group HQLA is primarily held in Level 1 cash and central bank reserves (42%) and Level 1 high-quality securities (50%). Level 2 securities account for 8%.

UK DoLSub

The UK DoLSub HQLA is primarily held in Level 1 cash and central bank reserves (42%) and Level 1 high-quality securities (50%). Level 2 securities account for 8%.

Derivative exposures and potential collateral calls

NWH Group and UK DoLSub actively manage its derivative exposures and potential calls with derivative outflows under stress captured within the Historical Look Back Approach which considers the impact of an adverse market scenario on derivatives. Potential collateral calls under a three-notch downgrade of the credit ratings of the entities within NWH Group are also captured.

Currency mismatch in the LCR

The LCR is calculated for euro, US dollar and sterling, which have been identified as significant currencies (having liabilities greater than, or equal to, 5% of total group liabilities excluding regulatory capital and off-balance sheet liabilities) in accordance with the Liquidity Coverage Ratio (CRR) part of the PRA Rulebook. NWH Group and UK DoLSub manage currency mismatch for significant currencies according to its internal liquidity adequacy assessment framework.